

17 JUL 1978

DD/A Registry

File 047-112

MEMORANDUM FOR: Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Headquarters Notice on Evaluations of Employee
Performance

Jack:

1. Forwarded herewith is a proposed Headquarters Notice prepared in response to your memorandum of 7 June 1978. You will note it has been drafted to clarify the difference between supervisory evaluation and comparative evaluation.

2. The Notice does not address the differing approaches of the Career Services to developing rankings and the consequent differing approaches for feedback. We propose this subject be discussed in the additional guidelines being developed for the operation of the uniform promotion procedures.

3. There are a number of examples of the different approaches now in use. The DDO Panel system develops only a promotion ranking and individuals are told where they stand on that list in specified terms, such as high middle, low middle, low 20% or low 3%; the descriptor category is provided if requested. NFAC has just established for all NFAC offices a uniform system of "valued" rankings from which promotion rankings are developed. Employees are advised in broad percentile terms of their individual standings, e.g., top 20%, middle 40%, low 10%, etc. Other Career Services and the Subgroups therein have variations of these systems, with some advising of the specific placement in a value number list.

4. In view of the interest that employees be aware of their rankings and the thrust to uniform promotion procedures, as well as the possibility of future surplus exercises to meet target promotion rates, we feel it advisable that more uniform approaches to feedback on rankings be established. As noted above, we are developing recommendations along these lines. It may be that you would prefer to suspend issuing a

Notice until all Career Services are operating on relatively common approaches. This may take some time, however, while differing philosophies are worked out, e.g., the basically different purposes of the DDO ranking system.

5. Our basic recommendation will undoubtedly be that each Panel or Board develop a "value ranking" based on current performance as well as the employee's potential judged on the cumulative evidence of background and growth expectations, experience and quality of past performance. The promotion rankings would be developed from the value ranking by adding in the various criteria pertinent to the Career Service or Subgroup personnel management policies, including time in grade, position occupied, imminent assignment plans, etc.

6. The value ranking could be derived from the descriptors or by a rank order of the entire group. If the descriptors are used as the base for value identification, a numbered sequence would probably be required in the Valuable Contributor and lower categories for reasons cited in paragraph 4 above.

7. Ranking feedback would be provided to employees from the "value" list (either the rank order or within the descriptors) in broad, general percentile terms. Over a period of time this gives a more consistent picture of ranking placement than does a specific number which requires significant additional information to have any meaning. The number of employees ranked each time as well as the quality of those employees varies and can easily affect the number placement without really indicating any change in the value of the individual employee's performance. To fully explain such changes could border on FOIA pro-(P216424)blems in that it could lead to identification of the who and the how of the individuals ranked above and below. Percentile rankings do not depend on the numbers involved and provide the pertinent information in a more stable framework. It would serve no purpose to cut the identification too fine other than in the low three percent poor performance group.

8. We believe the attached Notice will be useful, however, even in advance of a more uniform approach in ranking and feedback procedures, as a way of distinguishing the different evaluation processes, e.g., the supervisory Fitness Report and the Career Service or Subgroup comparative evaluation. It also emphasizes the use of the Career Service Personnel Handbook for personnel management information as well as the importance of the career management officers in the system.

B. W. M. Janney

Att.

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PERSONNEL

EVALUATIONS OF EMPLOYEE PERFORMANCE

1. In any organization, an effective personnel management system requires maintaining open communications between the employee and the supervisor, and in addition requires candid, honest appraisal of the employee's performance. [REDACTED] focuses on the importance the Agency places on this responsibility. This is further highlighted in [REDACTED] which states "a properly administered evaluation program requires continuing communication and understanding between supervisor and employee" . . . and "during the course of the reporting period the supervisor should have frequent work related conversations with the employee to offer guidance and encouragement, to discuss the assignment and status of performance." The Fitness Report is the means by which the employee's performance of assigned duties is recorded and further insures the employee's awareness of both the supervisor's and receiving official's evaluative comments.

2. In addition to this supervisory evaluation of performance, each Career Service conducts comparative evaluation rankings of the individual grade and/or functional groups. With the recent establishment of a Career Service Panel system for secretarial and clerical personnel, all Agency employees are now included in a comparative evaluation review at least annually. It is in the interest of all employees that they understand the evaluation ranking process and are aware of their standing in the rankings

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of their grade or functional group. This knowledge contributes to their own assessment of their performance and is important input for personal planning purposes. Employees are encouraged to seek this information.

3. While the Career Services vary slightly in their system for ranking employees, all have provision for feedback to the employees and counseling as necessary or requested. Guidance for obtaining ranking information and/or counseling is provided in the Career Service Personnel Handbooks or may be obtained from Directorate Career Management or Development Officers as well as from Directorate and component Personnel Officers.

JOHN F. BLAKE
Deputy Director
for
Administration

DISTRIBUTION:

DDA 78-2323

7 June 1978

Form 163a
8-66

MEMORANDUM FOR: Director of Personnel

FROM: John F. Blake
Deputy Director for Administration

ATTACHMENT

Fred:

1. Paragraph 4.d. of "Notes from the Director" No. 25 includes the following statement:


"Directives will be issued to ensure that employees can and are encouraged to determine their performance rating."

2. Will you please undertake action to comply with this statement. Your issuance on this matter should include specifics so as to advise people in the five major components as to how they can gain access to their performance ratings. Accordingly, you will obviously have to develop such an issuance in coordination with the components.

*Comparat
Ranking*

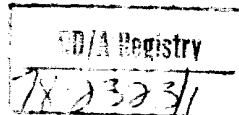
3. In a recent long conversation with the Director on personnel management matters, he asked that there be developed a brochure that will be given to all new employees explaining the personnel management policies and procedures of the Agency. I am aware that each Directorate has its handbooks. Those, however, are not sufficient for this purpose. I would appreciate receiving a draft of this new brochure by 3 July.

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John F. Blake

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22 JUN 1978

MEMORANDUM FOR: Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Personnel Management Policies and Procedures
Brochure

REFERENCE : DDA 78-2323, dtd 7 June 1978

1. Attached in draft form is a proposed Table of Contents for an employee handbook. Several months ago the Careers Committee commenced work on such a handbook but determined that action on the project be delayed until the Director decided whether to reaffirm or change existing personnel policies. Now that the Director has informed employees that a booklet will be forthcoming offering a full statement of Agency personnel policies, an employee handbook might be the best vehicle to use.

2. Such a handbook would offer considerably more information for the new employee than would a statement limited to an explanation of personnel policies. This additional material should be helpful to employees regardless of service time. Of course, the Office of Personnel would assume responsibility for its publication at this juncture rather than the Careers Committee. Further, to make the handbook with its varied contents less burdensome for an employee to comprehend, the data, covering 40 pages or so, would be dealt with in summary form with many cross references to sources where more detailed and possibly classified aspects would be discussed. The handbook itself would be unclassified.

3. Being a somewhat more ambitious undertaking than a brochure, the July 3 time frame to prepare a draft of a handbook in line with the proposed Table of Contents would be hard to achieve; however, it should be ready for your review by early August.

F. W. M. Janney

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OP/P&C/PS/ [REDACTED] kj (20 June 1978)

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DRAFT
RMW:kj
6/19/78

EMPLOYEE HANDBOOK

"YOU and the Central Intelligence Agency

Table of Contents

- I. The Central Intelligence Agency.
 - A. Statement of Welcome by the DCI and Picture.
 - B. What is the Role of Intelligence?
 - C. Directorate Functional Statements.
 - D. Security Aspects of a Career in Intelligence.
- II. Type of CIA Employees.
 - A. Staff.
 - B. Contract.
 - C. Wage Board.
 - D. Military and Civilian Detailees.
- III. Trial Period of Employment.

IV. Responsibilities of the Employee.

- A. Code of Conduct.
- B. Reporting of Illegalities.
- C. Employee Reliability.
- D. Security.
- E. Filing of W-4 Tax Deduction Forms, Locator Card, Salary Check Disposition.

V. Keys for your Career.

- A. Career Services (explanation of).
- B. Letter of Instruction.
- C. Performance (Fitness) Reports.
- D. Panel Evaluation and Promotion.
- E. Personnel Career Development.
 - 1. Reassignments/Vacancy Notices.
 - 2. Training.
 - 3. Employee Counseling.
- F. Separations.
- G. Awards Program.
- H. Employee Suggestions.
- I. EEO
- J. Grievances

VI. Hours of Work.

A. Flexitime.

B. Leave.

1. Leave with Pay.

a. Annual.

b. Sick.

c. Court, Military, Voting.

2. Leave without Pay.

VII. Compensation.

A. Salary Position Classification.

B. PSI, QSI, Legislative Pay Increases.

C. FLSA.

1. Exempt.

2. Non-exempt.

D. Overtime and Holiday Pay.

E. Pay Deductions.

1. Mandatory.

a. Taxes.

b. Retirement.

2. Non-Mandatory

a. Insurance

b. Credit Union

c. VIP

d. Savings Bonds

VIII. Employee Benefits and Services.

A. Insurance.

1. Life Insurance.
2. Hospitalization.

B. Job Related Disability and Death Benefits.

1. Filing Form CA-1.
2. General Benefits.

C. Financial Services.

1. Credit Union.
2. Educational Aid.
3. Emergency Funds.

D. Retirement Systems.

1. Civil Service System.
2. Agency System.
3. Retirement Assistance.
 - a. Pre-Retirement Planning.
 - b. Retirement Processing.
 - c. Voluntary Investment Plan.
 - d. External Employment Assistance.
 - e. Annuitant Services.

E. Other Services.

1. Bulletin Boards (sales, announcements).
2. EEA and Recreation.
3. Car Pools.
4. Blood Bank.

5. Medical Assistance.

6. Legal Inquiries.

IX. Personal Activities.

A. Mail and Telephone Calls.

B. Visitors.

C. Political Activities.

D. Marriage.

E. Financial Affairs.

X. General Activities.

A. Traffic on Agency Property - Parking

B. Cameras.

C. Solicitations, Peddling, and Gambling.

D. Intoxicants and Narcotics.

XI. Headquarters Building Guide.

XII. Emergency Numbers.

A. Medical

B. Security (safe problems)

C. Personal

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Notes from the Director

No. 25

7 June 1978

UNIFORM PROMOTION SYSTEM

1. One area which we are giving a great deal of attention today is our personnel management system. For the past 31 years, the Agency has had a fine and highly personalized management system. It could not be otherwise for we simply could not carry out our mission without good people. This more than any other factor has been the secret of success of our Agency since its birth.

2. Times change, the mores of our country change, and the attitudes and aspirations of our youth change. In addition, our Agency is in a sense just reaching its maturity. Personnel policies appropriate to a new and growing organization need review for an established organization. No earthshaking changes are contemplated, but we are endeavoring to ensure that our personnel policies and our personnel management procedures are attuned to looking after the interests of all of our employees under conditions which surround us today and will surround us in the years just ahead.

3. On the 18th day of May we published a notice on an approach to a uniform promotion system. I believe this notice is of sufficient import to all employees to include it in a Director's Note so that it will receive maximum distribution. Here it is:

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PERSONNEL

18 May 1978

UNIFORM PROMOTION SYSTEM

1. Many of the personnel policies of the Agency have been and are being carefully reexamined. One of the conclusions is that employees and the Agency will benefit from the adoption of a more uniform promotion system throughout the Agency. The adoption of such a system will increase employees awareness of promotion opportunities and will ensure more promotion headroom by implementing existing Agency regulations concerning marginal performers. It is recognized that each Career Service has unique characteristics and problems which require consideration. Modifications of the Agency's promotion system will allow recognition of that uniqueness by the use of more expanded statements of promotion criteria for each Career Service.

2. The establishment of uniform promotion schedules by grade will be keyed to the scheduling of fitness reports followed by panel evaluations and by recommendations for promotions. The intention is to have the whole system ready for implementation beginning 1 October 1978. Meanwhile, actions are already being taken to incorporate each new feature as it is developed into the Agency's promotion system. These will include the following:

a. A minimum annual target for promotion of qualified people for each grade will be established by appropriate Career Services or Sub-Groups and published. This action will be completed in June.

b. Promotion rates will be sustained for the most part through normal attrition, but additionally it will be necessary to adhere more strictly to the current separation regulation [REDACTED] subsequent to identifying the bottom three percent of employees competitively ranked each year. As a protection to the employees identified in this process, the Career Service will establish independent panels to review each case on its merit. The panels will assess the employee's value and potential. Their findings will be furnished to the Head of the Career Service.

c. The common criteria for promotion in all Career Services are set forth in [REDACTED]. Specific Career Service criteria will be published and made available to further the employee's understanding of how selection for promotion is achieved and how to become qualified for promotion.

d. All Career Services will use an evaluation panel system to determine promotion eligibility. Rankings and recommendations for promotion made by an evaluation panel can only be changed by the Director.

e. A uniform promotion schedule for all Career Services (i.e., all GS-09's will be promoted in the same month, etc.) will be established and published. The Office of Personnel will work with the Heads of the Career Services in establishing a schedule for each grade. Promotion lists will be published.

Frank C. Carlucci
Deputy Director of Central Intelligence

4. Of equal importance to promotion policy in any personnel management system is retention policy or the rights of individuals to job security. The rules of our Agency on job security are quite clear and longstanding. I will list them below and in italics note any changes of emphasis or procedure which I am directing:

a. Probationary period: Headquarters Notice [REDACTED] establishes a three-year probationary period upon initial employment. It is important to the employee, as well as to the Agency, that this be carefully administered. It is the period in which the Agency has the opportunity and the responsibility to identify employees who are unlikely to satisfactorily adapt to Agency life. It is in their interest and the Agency's not to let what is likely to be an unfruitful relationship continue. It is my observation that the move from probationary to career status has been too perfunctory. *We are going to establish a more formal approach to the crossing of the probationary threshold.*

b. Unsuitability: The National Security Act of 1947 provides that the Director may "in his discretion, terminate the employment of any officer or

employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible by the United States Civil Service Commission." Each Director interprets this authority individually. ***It has been my practice to exercise it primarily for reasons of unreliability.*** When it is determined that an employee has performed in a manner that indicates lack of willingness or ability to perform his or her duties in a manner consistent with authorized directives, oral or written, I must exercise this authority to dismiss from employment. Not to do so would be to jeopardize the reputation and the future of our Agency for the sake of an individual not willing to play on our Agency team.

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c. Low ranking: [REDACTED] stipulates that an individual ranked in the bottom three percent for two successive years may be considered for dismissal. ***We have recently instituted procedures whereby such cases will be reviewed by special panels to ensure objectivity.*** The panels will look for two situations.

(1) Incompetence: When an individual is performing below an acceptable level of competence, we have no other recourse than dismissal, as is the case in any Government agency.

(2) Low Comparative Value: When the needs of our service dictate reductions in force for reasons such as Congressionally mandated cuts in strength, abolishment of Agency functions, or excess strength in particular areas, the panels will identify the least contributory personnel as required.

Note #1: ***Employees who reach a point three years from eligibility for retirement will not be dismissed on the basis of low comparative performance.***

Note #2: There are no sizeable externally or internally generated reductions foreseeable at this time.

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d. Visibility: [REDACTED] (a), in addition to making a supervisor responsible for ensuring that employees understand the nature and scope of their duties and responsibilities, also requires the supervisor to continuously advise employees of the effectiveness of their performance. In addition, the Agency personnel management system provides for comparative evaluation with the peer group by grade/function by a Career Service or a Career Service Subgroup panel or board. Employees are entitled to and may inquire of their supervisors as to performance standing. It is my observation that this procedure has not been well carried out in the past. I believe that each employee is entitled to and should seek a frank and specific description of how his performance is being judged. ***Directives will be issued to ensure that employees can and are encouraged to determine their performance rating.*** Equipped with knowledge of where he stands relative to his peers, no career employee need be concerned about dismissal as a result of a poor performance panel evaluation unless he or she is in the very lowest percentile. In short, there can be no concern at "arbitrary" dismissals—the individual is entitled to know where he stands; and he is vulnerable to dismissal only if near the bottom of the list.

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e. Evaluation: [REDACTED] establishes an annual evaluation system based on written fitness reports. I sense considerable skepticism within the Agency that

fitness reports are filled out conscientiously. *We have a group studying ways in which to improve fitness report quality. In addition, instructions to panels will stress that single fitness reports are not of great import; judgments must be made on an entire career and what it tells about potential for the future.*

5. It is my intent within a few months to bring together in a booklet form a full statement of personnel policies of the Agency. I believe this is something that all employees are entitled to know, particularly on entering into employment with us. We will try to lay out what a new employee can expect as he looks ahead to a full career opportunity in our Agency, including the opportunities he will have and the rights he will accrue. Most of all, I am anxious that our personnel system be as uniform, as simple, and as thoroughly publicized as possible. Each of us deserves to know the rules and the opportunities within which we serve.

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STANSFIELD TURNER
Director

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